LAW OFFICES OF LOUIS E. GITOMER

Louis E. Gitomer Lou_Gitomer@verizon.net

October 22, 2008

THE ADAMS BUILDING, SUITE 301 600 BALTIMORE AVENUE TOWSON, MARYLAND 21204-4022 (202) 466-6532 FAX (410) 332-0885

Ms. Victoria Rutson Chief, Section of Environmental Analysis Surface Transportation Board 395 E Street, S.W. Washington, D.C. 20423

Re: Docket No. AB-1029 (Sub-No. 1X), San Diego & Imperial Valley Railroad Company, Inc.-Discontinuance Exemption-San Diego County, CA

Dear Ms. Rutson:

The San Diego & Imperial Valley Railroad Company, Inc. ("SDIV") operated a 1.35-mile line of railroad between milepost 19.85 and milepost 21.2 in the vicinity of Escondido, San Diego County, CA (the "Line"), pursuant to a lease from The BNSF Railway Company ("BNSF"). See, San Diego & Imperial Valley Railroad Company, Inc.—Lease and Operation Exemption—BNSF Railway Company, STB Finance Docket No. 34638 (STB served March 2, 2005).

On September 9, 2008, BNSF notified SDIV that it was terminating the lease as of October 24, 2008. The Pacific Sun Railroad, L.L.C. ("PSR") will replace SDIV as the operator of the Line. See, *Pacific Sun Railroad, L.L.C.—Lease and Operation Exemption—BNSF Railway Company*, STB Finance Docket No. 35173 (STB served October 3, 2008). As a result of the lease being terminated and PSR providing service over the Line, SDIV will file a petition seeking an exemption to discontinue service over the Line.

SDIV is seeking clarification, pursuant to 49 C.F.R. §1105.2, that the discontinuance that it will seek is a transaction that will not require the preparation of environmental documentation or a Historic Report. PSR will continue the operations that SDIV provided.

As a result of SDIV's discontinuance of service and PSR's new operation, there will be no significant changes in carrier operations, no operational changes that would exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (5), and no action that would normally require environmental documentation. Hence, SDIV contends that its discontinuance of service will not require environmental documentation under 49 C.F.R. §1105.6(c)(2) and (6).

Ms. Victoria Rutson October 22, 2008 Page 2

PSR will operate the Line, will require further Board approval to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, SDIV contends that its discontinuance of service will not require an historic report under 49 C.F.R. §1105.8(b)(1).

SDIV respectfully requests clarification that it is not required to prepare or submit an Environmental Report or an Historic Report with respect to the petition for exemption to discontinue service over the Line because PSR will continue to provide service.

Please expedite your response so that SDIV may begin the discontinuance of service process in order to terminate its obligation to operate over the Line on demand and avoid potential operational issues with PSR.

Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,

Louis E. Gitomer

Attorney for: San Diego & Imperial Valley Railroad Company, Inc.